

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

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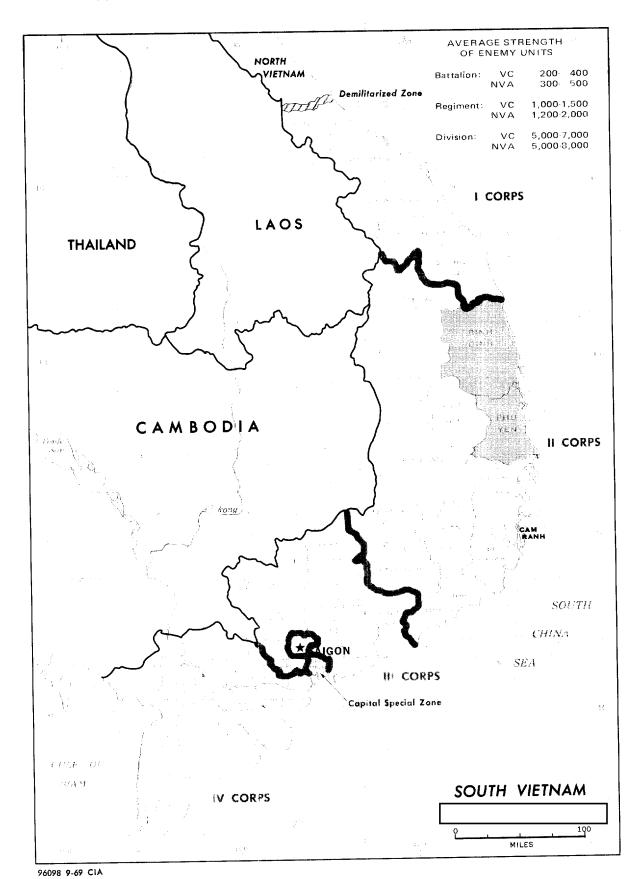
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South Vietnam: The North Vietnamese commitment is continuing to grow in the IV Corps area, where US forces recently turned over some defensive responsibilities to the South Vietnamese.

ports, some 1,000 North Vietnamese replacement troops have arrived in the northern provinces of IV Corps since July. These replacements reportedly are to beef up existing Viet Cong battalions which have been worn down by allied operations in the area during the past year. The western and southern provinces of the delta were reinforced earlier with two North Vietnamese main force regiments.

On the coast of II Corps, there is evidence that some local force battalions are being divided into squads to help local guerrillas assassinate government officials and extend Communist control over the population.

| Viet Cong 30th Local Force Battalion in Binh Dinh Province is to be broken up for this purpose.

| battalions in Binh Dinh and Phu Yen provinces have received similar orders.

The partition of these battalions would follow the disbandment of the enemy's 10th Regiment in Phu Yen Province, the Quyet Thang Regiment near Saigon, and of several other battalions in different parts of the country. This division of Communist units would be in line with the apparent, gradual change in enemy military strategy, which has frequently emphasized large-unit warfare at the expense of guerrilla and local force operations, but which is now placing greater emphasis on restoring small-unit operations.

Military activity was light yesterday.

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Czechoslovakia: Party leader Husak's meeting yesterday with Poland's Gomulka may foreshadow another meeting between Husak and Soviet leaders.

A decision by the party presidium last week to inform other parties of its political intentions suggests that the Czechoslovaks will discuss with their allies plans for dealing with former party leader Dubcek and other reformers. Such discussions might put off for some time the demotion of the reformers. If East European diplomats in Prague are correct, Husak will confer with the Soviets before convening an on again - off again central committee meeting, now rumored to have been postponed until the end of the month.

Husak probably solicited the advice and support of Gomulka, with whom he is on friendly terms. Gomulka is a well-known and staunch opponent of bringing criminal charges against political leaders. Gomulka's visit could boost Husak's prestige and strengthen his hand in dealing with the party's ultraconservatives, who are calling for immediate and drastic action against the reformers.

Jordan: The number of antigovernment and anti-Western acts in Jordan is increasing.

In the past week a grenade was thrown into the pool at the British Embassy, and an explosive charge was detonated at the home of the assistant US military attaché. Other incidents include a riot over a film on Vietnam--in which F-4 Phantoms appeared-shown at a theater in Amman, the stoning of a hotel, and the alleged kidnaping by fedayeen of a prominent newspaper editor.

In discussing the security situation, acting Prime Minister Touqan said that his government was trying to get better police performance. He advised, however, that the American community maintain as low a profile as possible, avoiding areas where embarrassing incidents with the fedayeen might occur and curbing discussion of such volatile issues as the Arab-Israeli problem and the fedayeen. Touqan said that he was giving this same advice to his family.

Pakistan: The growing discontent among students and workers in East Pakistan could precipitate demonstrations and serious clashes with security forces.

The statements of East Pakistani student leaders have taken on strident antiregime overtones in recent days, as general discontent with the government's plans and policies has come to the fore. These leaders are asking their colleagues to observe 17 September as "Education Day." They are urging the government to declare an official holiday to honor students killed by police fire during student protests in 1962. A provincewide student strike is expected with meetings, speeches, and possibly demonstrations in defiance of martial law regulations.

In a tough statement carried by Dacca newspapers yesterday, the government warned students that violations of the regulations will not be tolerated. Violence could erupt, particularly if students call for worker participation and receive a positive response. Labor resentment, growing out of the government's ill-advised minimum wage ordinance for East Pakistan, has not subsided, and work slowdowns and strikes are continuing.

The popular East Pakistani politician Mujibur Rahman, who has recently become increasingly critical of the government, once again appears to be a key figure on the scene. A call by him for restraint might calm the situation.

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Argentina: The Ongania government has decided to place the country's railway workers under military control to head off a possibly crippling nationwide strike.

Yesterday all 180,000 workers on the nation's six state-operated railroads were ordered to report to their usual work places or face military sentencing for desertion. The railway employees had scheduled a 24-hour strike to begin this morning to support striking workers on one of the lines.

The original strike which began in Rosario last week had been denounced as "politically inspired" and "totally unjustified" by the National Security Council. Communists did in fact have a part in agitating the strikers in Rosario, but the workers also had grievances, such as the dismissal of railway men who had taken part in strikes in May, July, and August.

The government probably feared that in addition to having a serious economic impact the strike could spread to other violence-prone areas such as Cordoba. The decision to mobilize the railway workers is the first use of this drastic measure since the Ongania government came to power in mid-1966. The railwaymen form one of Argentina's most powerful unions, and have continuously opposed the government. The head of the railroad system is an active duty army general, and the mobilization may provide an opportunity for the government to take even greater control of the roads' operation.

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Romania-Venezuela: Romania and Venezuela have concluded a barter agreement which should prove economically beneficial to both countries.

Romania has agreed to purchase four million tons of crude oil from Venezuela over the period of 1971-75 and an additional seven million tons over the period 1976-80. Venezuela will study Romanian offers to supply industrial machinery and equipment as well as offers to exploit jointly petroleum and other mineral resources. The agreement would implement a preliminary one signed in May 1968 which called for the exchange of 11 million tons of Venezuelan crude oil over ten years for \$125 million worth of Romanian goods and services.

The accord would provide Romania with imports of crude oil needed primarily to increase exports of refined products, particularly to Western Europe where Bucharest earns badly needed hard currency. For Venezuela, the deal would provide a new outlet for its high sulphur crude, but would have only a small impact on the country's total trade.

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UK: Britain's trade balance was favorable in August for the first time since July 1967.

Adjusted for seasonal factors, merchandise exports exceeded imports by \$96 million, a net improvement of about \$185 million over the preceding month's deficit. Most of this dramatic gain came from a surge of nearly \$140 million in exports, which have shown a definite--if somewhat slow--upward trend since devaluation of the pound in November 1967.

The government stressed that the modest decline in imports was probably due to special factors not likely to recur in September. It is significant also that part of the export gains in August represented recovery of the ground lost in July.

Coming on the heels of an announcement about a strongly favorable performance in the balance of payments for the second quarter of 1969, the August trade returns may nevertheless help to improve the image of the pound in the foreign exchange markets. This is particularly important at the moment because strong speculative pressure affecting the pound is expected after the German elections in late September.

#### NOTE

Uruguay: President Pacheco has tightened press censorship because he fears that stories about "subversive" activity will increase unrest. Three Montevideo newspapers have been forced to suspend publication for varying short periods for violating state-of-siege prohibitions against inflammatory reporting. Three other newspapers have been issued strong warnings. Pacheco's growing penchant to act forcefully first and then inform the politicians is backed by the military but deplored by important sectors of his own party and by the opposition. The President, however, has not shown any consistent willingness to alter his method of operation.

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